

## FINANCE: COUNTERPART FUNDS

*Exchange of notes at Vienna July 1, 1949*

*Entered into force July 1, 1949*

*Amended by agreement of April 4, 1950<sup>1</sup>*

Department of State files

*The American Chargé d'Affairs ad interim to the Federal Chancellor<sup>2</sup>*

AMERICAN LEGATION

VIENNA, AUSTRIA, July 1, 1949

No. 67

### EXCELLENCY:

I have the honor to refer to the conversations which have recently taken place between representatives of our two Governments relating to the obligations arising from the exercise of drawing rights made available to Austria pursuant to the Agreement for Intra-European Payments and Compensation of 16 October 1948 insofar as such drawing rights are attributable to U.S. dollar assistance furnished by the Economic Cooperation Administration to participating countries for the purposes of that Agreement.

1. To the extent that the Agent authorized to perform payments compensations pursuant to the Agreement for Intra-European Payments and Compensation utilizes drawing rights established in favor of Austria, the Government of Austria will deposit commensurate amounts of schillings

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<sup>1</sup> Not printed. The substantive paragraphs of the notes of Apr. 4, 1950, read as follows:

"1. Wherever references to 'drawing rights' appear in numbered paragraphs 1, 2, 3, and 5 of the aforementioned exchange of notes, such references shall be deemed to apply to the drawing rights made available under both the Agreement for Intra-European Payments and Compensations of October 16, 1948, and the Agreement for Intra-European Payments and Compensations of September 7, 1949.

"2. Wherever references to the 'agent' appear in numbered paragraphs 1 and 2 of the aforementioned exchange of notes, such references shall be deemed to apply both to the agent for compensations under the Agreement for Intra-European Payments and Compensations of October 16, 1948 and to the agent for operations under the Agreement for Intra-European Payments and Compensations of September 7, 1949.

"3. Effective October 1, 1949 the time of 'notification' relevant for purposes of deposits of local currency made pursuant to the exchange of notes shall in each case be deemed to be the date of the last day of the period with respect to which the drawing rights covered by the notification have been exercised."

<sup>2</sup> An identical note, addressed to the American Chargé d'Affaires, was signed by the Federal Chancellor, Leopold Figl, on the same day, July 1, 1949.

in the special local currency account established under Article IV of the Economic Cooperation Agreement between Austria and the United States.<sup>3</sup>

2. The amounts to be deposited shall be equivalent to the U.S. dollar value of drawing rights made available by participating countries and exercised in favor of Austria as communicated to the ECA by the agent. This value will be identical with the amounts of U.S. dollars allotted to such participating countries in order to obligate them to make such drawing rights available.

3. The rate of exchange governing the computation of amounts of local currency deemed equivalent to the dollar value of drawing rights as set forth in paragraph two above shall be the same as those governing deposits made in accordance with Article IV of the Economic Cooperation Agreement between the United States and Austria.

4. Deposits of local currency made pursuant to this exchange of notes shall be held and governed in accordance with all the terms and conditions applicable to deposits made pursuant to Article IV of the Economic Cooperation Agreement between the United States and Austria.

5. It is understood that obligations to deposit local currency in accordance with this note apply only in the case of drawing rights to which no obligations of repayment attach.

Accept, Excellency, the renewed assurances of my highest consideration.

WALTER DOWLING

His Excellency

LEOPOLD FIGL,

*Federal Chancellor*

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<sup>3</sup> Agreement signed at Vienna July 2, 1948 (TIAS 1780), *ante*, p. 404.